

TEXAS: Leveling the Playing Field

"This country ought to be opening up markets, new markets, for our farmers and ranchers and entrepreneurs and manufacturers."

*-President George W. Bush
March 8, 2004
Houston, Texas*

Trade Plays a Significant Role in Texas's Growing Economy: People from all over the world are buying Texas products, which helps fuel Texas's economy and create jobs.

- ✓ Texas sold nearly \$98.8 billion in goods in 2003, ranking as the nation's top exporter. Over the last four years, Texas merchandise exports have grown nearly 19% -- increasing over four times as much as the nation's exports during the same period.
- ✓ At \$28.4 billion in 2003, computers and electronics are Texas's biggest goods exports; chemicals and machinery manufactures rank second and third.
- ✓ Texas is America's third largest exporter of agricultural products with \$3.4 billion in sales abroad. The state ranks first in the nation for exports of cotton, second for feed grains, and third for both live animals and meat and hides and skins.
- ✓ Nearly 22.3% of all manufacturing workers in Texas were supported by U.S. manufactured goods exports in 2001. Such jobs are estimated to pay 13% to 18% more than the U.S. national average wage.
- ✓ 31,192 companies in Texas exported goods in 2001; 91% were small and medium sized businesses.

Texas Benefits as President Bush Levels the Playing Field: The Bush Administration has worked aggressively to level the playing field for Texas's farmers, workers, and businesses by opening new markets, removing barriers that hurt Texas's exporters, promoting Texas exports, and enforcing our trade laws and combating unfair trade practices.

- **Opening New Markets for Texas:** Texas's farmers and manufacturers benefit as the Bush Administration opens new markets by:
 - **Expanding China's market for Texas exports of cotton.** After two years of Administration engagement, China issued final safety certificates for biotech soybeans, cotton, corn and canola oil, assuring that China's quick-growing multi-billion dollar market for these U.S. agricultural products will remain open to Arkansas and other U.S. farmers. U.S. cotton sales to China have increased nearly 3200% over the last four years. This year is already a record for U.S. cotton exports to China with \$1.3 billion in sales from January through August. Texas is the nation's largest exporter of cotton, with nearly \$803 million in sales abroad.
 - **Opening new markets for Texas cattlemen, pork, and poultry producers.** Live animals and meat rank as Texas second largest agricultural export with \$756 million in sales abroad. The Administration has worked diligently to open up new markets for Texas livestock and farm goods.

- ◆ The Administration reopened the Mexican market to U.S. beef exports worth over \$1 billion to Texas and other U.S. farmers and ranchers, and recently struck a deal with that paves the way to reopen Japan's market, the largest market for U.S. beef exports. Taiwan also recently agreed to reopen its market to U.S. beef exports.
- ◆ The free trade agreement that the Administration negotiated with Central America improves access to our partners' markets for Texas pork, poultry, dairy, and beef. The American Farm Bureau estimates that this agreement could mean \$1.5 billion for American farmers and ranchers.
- ◆ The U.S.-Morocco Free Trade Agreement (FTA) negotiated by the Administration will open the Moroccan market to Texas beef and poultry.
- ◆ The Administration negotiated an agreement with Russia that will ensure continued access to that market for Texas pork, poultry, and beef.
- **Opening markets for Texas hides and skins.** The Administration has worked hard to expand China's market for U.S. farmers and ranchers. U.S. exports of hides and skins to China have increased 372% over the last four years -- topping \$455 million in 2003. And already this year exports are up nearly 29% over last year. Texas exported nearly \$283 million in hides and skins last year, ranking as the nation's third largest exporter of these goods.
- **Expanding markets for Texas's manufactured goods exported to Australia.** The U.S.-Australia Free Trade Agreement provides immediate benefits for Texas's manufacturing sectors, including autos and autos parts, chemicals, electrical equipment and appliances and information technology by immediately eliminating duties that were limiting access to Australian markets. Texas exported \$729 million in manufacturing goods to Australia last year.
- **Removing Barriers that Hurt Texas's Exporters:** The Bush Administration's aggressive actions to remove barriers for American exporters help Texas farmers, manufacturers, high-tech industry and workers by:
 - **Eliminating tariffs for Texas's exports of information technology to Australia, Morocco, Singapore, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.** Computers and electronic products rank as Texas' top export category accounting for 28.7% of the state's exports.
 - **Reducing barriers for information technology exports** through intensive discussions with the Chinese, they eased import requirements on information technology products, affording U.S. companies greater access to tariff reductions and eliminations to improve the market for U.S. goods. Texas exported over \$946 million in computer and electronic products to China in 2003.
 - **Duty-free exports for Texas's chemical manufacturers** for pharmaceuticals, plastics and resins sold to Australia, Chile, Singapore, Morocco, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. Texas's chemical industry exported over \$17 billion to the world in 2003. Chemical manufactures are the state's second largest export category.

- **Reducing barriers and increasing exports to Chile through the U.S.-Chile Free Trade Agreement.** The FTA with Chile, secured by this Administration, removed trade barriers and secured access to the Chilean market for many manufacturing and agricultural products, including heavy machinery such as agricultural and construction equipment, and Texas citrus.
 - For goods exporters, we are already seeing good results from this FTA: Overall exports to Chile are up 30% January-August this year over the same period last year. As the nation's 2nd largest goods exporter to Chile with sales of \$333 million in 2003, Texas stands to benefit greatly from this agreement.
- **Removing barriers for Texas farmers and ranchers.** China made changes to its meat and poultry labeling regime at the Administration's urging, removing a non-tariff barrier to Texas goods.
- **Enforcing Trade Laws and Combating Unfair Trade Practices:** The President's enforcement of trade laws and vigorous pursuit of allegations of unfair trade have produced real results for Texas, including:
 - **Ensuring fair access to China for Texas semiconductors** by bringing the first WTO case against China to ensure fair tax treatment for U.S. semiconductors in China, the fastest growing semiconductor market. Within months, China agreed to our demands, ensuring that Texas and other U.S. exporters have fair access to a market worth over \$2 billion to American manufacturers.
 - **Ensuring fair access to Mexico for Texas telecommunications providers.** As a result of a case brought by the Administration, the WTO overruled Telmex's government-granted monopoly on negotiating rates to connect calls into Mexico. U.S. industry and workers estimate saving hundreds of millions of dollars a year as a result of this WTO victory.
 - **Launching the Strategy Targeting Organized Piracy (STOP!).** Building on the Administration's solid track record of real results in combating global piracy and counterfeiting, the STOP initiative is the most comprehensive initiative ever advanced to smash the criminal networks that traffic in fakes, stop trade in pirated and counterfeit goods at America's borders, block bogus goods around the world, and help small businesses and their workers secure and enforce their rights in overseas markets. This initiative will especially help Texas's leading media and entertainment industry, along with the state's top computer and electronic producers.
 - **Ensuring fair access to the European market for Texas beef.** As a result of Administration efforts, the European Union agreed to eliminate unnecessary and costly tests that would have hindered U.S. beef shipments.